

April 1, 2008

Dan Mahar  
EPA Region 10  
1200 Sixth Avenue, Suite 900, AWT-107  
Seattle, WA 98101

e-mail: [R10-Public\\_Comments@epa.gov](mailto:R10-Public_Comments@epa.gov)

Re: ASRC Energy Services, Inc. (AES) Comments on EPA Region 10 Proposed Minor Source Permit for the Shell Offshore, Inc. Kulluk Drilling Unit – Alaska Outer Continental Shelf Air Quality Control Minor Permit Approval to Construct No. R10OCS-AK-07-01 (Revised)

Dear Mr. Mahar:

AES is pleased to submit these comments in support of EPA Region 10 revised Outer Continental Shelf (OCS) Minor Source Permit for the Kulluk drilling unit, noticed for public comment beginning February 25, 2008 ("Proposed Permit").

AES has a unique interest in this permit with respect to workforce development in the North Slope communities. Many ASRC Energy Services employees live on the North Slope, trying to survive economically while maintaining the traditional Inupiat way of life. AES recognizes the balance can be difficult between economic survival and improvement with practicing the traditional ways of life. AES believes the economic pressures often require many of the North Slope residents and AES employees to leave the North Slope villages and seek better financial opportunity for themselves and their families. AES believes the issuance of the Kulluk drill ship air permit will help promote exploration activity on Alaska OCS waters and provide improved economic opportunity to our North Slope employees while protecting the environment so dearly loved and respected by our employees who live on the North Slope.

In general, AES supports EPA issuance of the proposed Shell Minor Source Air Permit. Specifically, AES supports the EPA conclusion that the stationary source subject to permitting should be defined as the "exploratory operation" that occurs for each individual planned well, including any necessary relief and replacement wells. AES further supports the EPA determination that a synthetic minor source air permit is appropriate for the exploratory operations to be conducted by Shell.

AES concurs that the owner-requested limits by Shell to minimize the project emissions may very likely result in fewer emissions than would be allowed under a major source air permit. AES also supports EPA's use of the January 2007 EPA Guidance Memorandum: *Source Determinations for Oil and Gas Industries* or simply known as the "Oil and Gas Memorandum" in determining the Shell source definition. AES believes the memo provides clear policy guidance in defining the extent of the source definition in this permit action and in subsequent Alaska OCS air permitting activities.

AES understands EPA has determined Shell's proposed Kulluk exploration drilling project will comply with the National and Alaska Ambient Air Quality Standards that are established to protect human health and the environment, including the people who live and work on the Alaska North Slope. Therefore, AES urges EPA to issue the Shell minor source Kulluk permit as soon as possible.

AES appreciates the opportunity to comment on the proposed Shell Kulluk minor source air permit. Should you have any questions please contact Michael Sotak at (907) 339-7675 or at the address in the footer below.

Sincerely,  
ASRC Energy Services, Inc.



Mark Nelson  
President/CEO

08-121